

Message Text

UNCLASSIFIED

PAGE 01 STATE 049096
ORIGIN EUR-12

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 USIA-15 SP-02 SOE-02 OMB-01
DOE-11 /113 R

DRAFTED BY EUR/NE:DCGOODMAN:EB/OT/TA:ABWOODS:STMCP
APPROVED BY EUR/NE:RLFUNSETH
STR:TSTEWART:TGRAHAM (PHONE)
EB/OT:SEAHMAD
LABOR:FLAVALLEE
TREASURY:EBARBER
COMMERCE:DSCHLECTY
CUSTOMS:ASCHIFFLER
DEFENSE:JDARLING
INTERIOR:HANDERSON

-----042991 260701Z /10

R 242354Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY HELSINKI

UNCLAS STATE 049096

E.O. 11652: N/A

TAGS: ETRD, FI

SUBJECT: PAPERMAKING MACHINERY -- KARKKAINEN MISSION

REF: STATE 40512

1. DISCUSSIONS WITH CUSTOMS AND STR ON DUTIES FOR PAPER-
MAKING MACHINERY CONCLUDED ON POSITIVE NOTE FEBRUARY 16
WITH KARKKAINEN EXPRESSING SATISFACTION WITH OUTCOME.
APPROPRIATE CLASSIFICATIONS FOR PARTS OF PAPER MAKING
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PAGE 02 STATE 049096

MACHINE WERE DETERMINED WITH CUSTOMS ON ALL BUT A FEW
COMPONENTS AND THESE WILL BE WORKED OUT SHORTLY. IN EVERY
CASE BUT ONE, WHERE DUTIES ON COMPONENTS ARE HIGHER THAN
3.5 PERCENT FIGURE APPLICABLE FOR A COMPLETE PAPERMAKING
MACHINE, USG HAS THE ABILITY TO REDUCE THESE DUTIES TO
3.5 PERCENT UNDER 60 PERCENT TARIFF CUTTING AUTHORITY OF
SECTION 101 OF TRADE ACT. ON ONE COMPONENT A 60 PERCENT

CUT WOULD BRING DUTY DOWN TO 3.8 PERCENT.

2. AS EMBASSY AWARE, TRADE POLICY STAFF COMMITTEE (TPSC) (COMPOSED OF REPS FROM STATE, TREASURY, AGRICULTURE, COMMERCE, LABOR, DEFENSE, AND INTERIOR) HAS INDICATED ITS WILLINGNESS TO EXPLORE POSSIBILITY OF EX-OUTS. AS NEXT STEP, CUSTOMS WILL PROVIDE TPSC WITH LIST OF SPECIFIC DUTIES ON VARIOUS COMPONENTS, AND TPSC WILL CONSIDER POSSIBILITY OF MAKING INDICATED TARIFF REDUCTIONS. IF APPROVED, PROPOSED CUTS WOULD BE PUBLISHED IN FEDERAL REGISTER AND THEN ISSUED AS A PRESIDENTIAL PROCLAMATION.

3. FYI: US HAS MADE MTN OFFERS FOR REDUCTION ON ALL OF THE COMPONENTS IDENTIFIED TO DATE, SO POSSIBILITY EXISTS THAT SOME COMPONENTS MAY BE REDUCED BELOW 3.5 PERCENT RATE AT CONCLUSION OF MTN IF FULL 60 PERCENT AUTHORITY HAS NOT BEEN USED. US HAS OFFERED IN THE MTN TO GO TO ZERO ON PAPER MAKING MACHINES (668.00) AND PARTS OF PAPERMAKING MACHINES (668.06), BUT FINNS NOW REALIZE THAT VALUE OF THIS CONCESSION WILL BE MINIMAL.

4. ALSO FYI: TREASURY HAS RECEIVED A COUNTERVAILING DUTY PETITION AGAINST FINNISH PAPERMAKING MACHINERY ALLEGING THAT EXPORT INFLATION INSURANCE, AMONG OTHER SCHEMES, CONSTITUTES AN ILLEGAL SUBSIDY UNDER GATT. TREASURY EXPECTS TO BEGIN PROCESSING THIS PETITION NEXT WEEK.
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PAGE 03 STATE 049096

KARKKAINEN LEARNED OF IT AS HE LEFT US. END FYI. VANCE

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PAGE 01 STATE 049096
ORIGIN STR-03

INFO OCT-01 ISO-00 /004 R

66011

DRAFTED BY:STR:JTSTEWART
APPROVED BY:STR:JTSTEWART

-----062303 281313Z /47

R 280515Z FEB 78

FM SECSTATE WASHDC
TO USMISSION GENEVA

UNCLAS STATE 049096

ALSO FOR MTN

FOL SECSTATE 049096 SENT ACTION HELSINKI FEB 24. 1978
REPEATED TO YOU QUOTE

UNCLAS STATE 049096

E.O. 11652: N/A

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KARKKAINEN LEARNED OF IT AS HE LEFT US. END FYI. VANCE
UNQUOTE VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, CUSTOMS DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Expiration:
Film Number: D780088-1102
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
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Litigation Codes:
Litigation History:
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3479200
Secure: OPEN
Status: NATIVE
Subject: PAPERMAKING MACHINERY -- KARKKAINEN MISSION
TAGS: ETRD, FI
To: HELSINKI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/bfabb5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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EO Systematic Review
20 Mar 2014
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